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STATE FOR EUR/WE KATHLEEN ALLEGRONE; P FOR HERRO MUSTAFA;  
IO; NEA/IR  
USMISSION OF USUN NEW YORK FOR JACKIE SANDERS  
NSC FOR RENICK SMITH  
DEPT OF TREASURY FOR STUART LEVEY AND DANIEL GLASER

E.O. 12958: DECL: 05/18/2017  
TAGS: [PREL](#) [UNSC](#) [ECON](#) [EFIN](#) [KNNP](#) [ETTC](#) [IR](#) [IT](#)  
SUBJECT: ADDITIONAL ITALIAN VIEWS ON REQUEST AT UN TO  
UNFREEZE BANK SEPAH ROME ASSETS

REF: A. STATE 68153  
[1](#)B. ROME 628

Classified By: Economic Minister Counselor Tom Delare  
for reasons 1.4 (b) and (d).

[1](#)1. (S/NF) EcMin met May 18 with Giuseppe Maresca, Director General of the Ministry of Finance's Office for the Prevention of Financial Crimes. After EcMin strongly conveyed ref A instructions, Maresca explained that the GOI was balancing a "firm attitude" on UNSC resolutions, while being mindful of Italy's close trade relations with Iran. Maresca stated that Italy was hesitant to withdraw the UN proposal without USG "assurances" that the matter of Bank Sepah Rome's Italian creditors would be addressed.

[1](#)2. (S/NF) Maresca conveyed concern that the U.S. was unfairly singling out Italy. Italy believes it shares a common position with Germany and the UK on Bank Sepah's assets -- a common "EU approach," he explained. The GOI view is that its UN proposal was in line with language in UNSCR [1](#)1737.

[1](#)3. (S/NF) When asked what type of business -- new or otherwise -- Bank Sepah Rome was conducting to justify unfreezing its assets, Maresca replied that Italy wishes to cover employee salaries (the branch has around 15-20 Italian employees -- see ref B) and pay export credits, all the while ensuring that no payments go to designated entities or those engaged in suspicious, proliferation-related activities. Maresca stated that Sepah Rome could do nothing without Italian knowledge and approval, given the Bank of Italy's (BOI) provisional administration of the Bank Sepah Rome.

[1](#)4. (S/NF) Maresca reported that he had spoken with the Iranian Ambassador to Italy after the passage of UNSCR 1747. When the Ambassador asked Maresca's permission to conduct new business at Bank Sepah Rome, Maresca reported that he refused him and stressed the importance of UNSCRs 1737 and 1747 to Italy.

[1](#)5. (S/NF) EcMin frankly stated that while we recognized Italy's trade vulnerability vis-a-vis Iran, Italy was nonetheless overly sensitive to avoid provoking Tehran. EcMin also noted that, while our bilateral cooperation is

extremely strong on issues such as terrorism finance, the U.S. does not see the same level of cooperation from Italy in other areas of concern, notably shipments of dual use items that may not be explicitly covered by any of various export bans. Continuing, as Maresca tried to come to understand what appeared to be an overly tough position toward Italy (his view of our stance), EcMin urged Maresca to take the same holistic view of the relationship, with its positive and negative aspects, that USG policy-makers confront. The overall impression of Italian behavior, offered EcMin, is based on our reading of the entire range of the Italian-Iranian connection.

¶6. (S/NF) Maresca ended by appealing for fairness with regards to Italy's position, asking for the same treatment that the UK and Germany are receiving at the UN. He sought to assure us that Bank Sepah Rome was "no danger" -- "it is a non-player for the foreseeable future," given the BOI's administration of the branch, he stated.

¶7. (C) Shortly after the meeting described above, we were contacted by Roberto Ciciani, the MOF's Office Director for Prevention of Financial Crimes and an advisor to Maresca. He informed us -- subsequently confirmed by a faxed copy of a message from the Italian Mission to the UN with draft letters from Chairman Verbeke of the 1737 Committee -- that Italy is authorized to unfreeze local Bank Sepah assets to pay for basic expenses. According to the draft letters, no rpt no approval is given for the transfer of funds from the "parent bank" -- i.e., Bank Sepah Tehran.

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